

LEOFF Plan 2 Retirement Board Accomplishments

Duty Disability Benefits – HB 2418 (2004)

House Bill 2418 was passed unanimously by the Legislature and entitles members who are disabled in the line of duty to receive a minimum benefit of 10% of their final average salary. This benefit is tax-free for the member's life. Or, instead of a monthly benefit, the member may choose to withdraw 150% of their retirement contributions with interest, tax-free. The bill was made retroactive for three years so members who had previously retired would have the opportunity to file amended income tax returns.

Survivor Benefits – HB 2419 (2004)

House Bill 2419 passed the Legislature unanimously and provides spouses of LEOFF Plan 2 members killed in the line of duty a pension that is unreduced for "early retirement" if the member is younger than age 53 when they die.

Actuarial Funding – SB 6249 (2004)

Senate Bill 6249 was also endorsed by the Select Committee on Pension Policy and provides a limit on the deferment of investment losses in order to help ensure adequate funding for all the retirement funds, including the LEOFF Plan 2 retirement fund.

Duty Disability Benefits –SSB 5615 (2005)

LEOFF Plan 2 members who become disabled in the line of duty and whose injuries prevent them from continuing their career as a law enforcement officer or fire fighter will no longer have their pension reduced for "early retirement" if they are younger than age 53. Members will instead receive the full pension benefit they earned prior to becoming disabled. For example, a member with 15 years of service will receive 30% of their average final salary to supplement their income from their new non-LEOFF career.

Purchase of Service Credit – HB 1269 (2005)

This benefit allows a LEOFF Plan 2 member to purchase up to five years of service credit at the time of retirement, beginning on July 1, 2006. A member's deferred compensation assets can be rolled over tax-free to purchase the credit. This will be a useful retirement planning tool, for those who would like to use their deferred compensation account to improve their LEOFF Plan 2 pension.

Career Change – HB 1270 (2005)

A LEOFF Plan 2 member can now choose to receive their LEOFF Plan 2 pension or earn a new pension if they go to work in another public service job after retiring from LEOFF Plan 2. This legislation gives new choices to a person who moves from a law enforcement or fire fighting career covered under LEOFF Plan 2 to a job covered by one of the state's other public pension plans.

For example, a LEOFF Plan 2 member who retires at age 53, and then works in a courtroom security or arson investigator job covered by the Public Employees' Retirement System (PERS)

until they are 65, could earn a PERS pension for those 12 years. Or, the member could choose to receive their LEOFF Plan 2 pension while working in a PERS-covered job instead of earning a second pension.

Military Service – HB 1325 (2005)

This bill provides members whose career is interrupted by a call to active duty military service with the option to receive LEOFF Plan 2 service credit for their military time, even if they are injured or killed and can not return to their LEOFF-covered job.

Contribution Rate Stability Plan (2005)

The LEOFF Plan 2 Board adopted a four-year plan to return employer, state and member contribution rates to the level they need to be at to adequately fund LEOFF Plan 2. The rate stability plan includes a minimum contribution rate floor, so if there are better-than-expected investment gains for the retirement fund in the future, those gains will be left in the plan.

Catastrophic Disabilities – HB 2932 (2006)

A member who is severely disabled in the line-of-duty such that they are incapable of substantial gainful employment in any capacity in the future will be guaranteed to receive 70% of their salary, tax-free, for life from LEOFF Plan 2; or up to 100% of their salary when combined with Workers' Compensation and/or federal Social Security disability benefits for the same injury.

Survivor Health Insurance – SB 6723 (2006)

Surviving spouses and children of LEOFF Plan 2 members, who were killed in the line-of-duty since January 1998, have the option to purchase health insurance from the State. The Board proposal extends the same option to purchase health insurance from the State to the surviving spouses of LEOFF Plan 2 members who were killed in the line-of-duty prior to 1998. In addition, the proposal allows the LEOFF Plan 2 retirement fund to reimburse survivors of all LEOFF 2 line-of-duty deaths for the cost of purchasing health insurance from the State.

\$150,000 Death Benefit – SHB 2933 (2006)

Coverage for the \$150,000 death benefit provided when a member dies as a result of a duty-related injury will be extended to include members who die from a duty-related illness, such as an infectious disease or cancer, which results from job-related exposure.